

**U.S. Department  
of Labor**

**ANNUAL  
REPORT**

**Fiscal Year 2000**

*REPORT ON PERFORMANCE  
AND ACCOUNTABILITY*



A Report of the United States Department of Labor

Department of Labor Management Discussion and Analysis (MD&A)

The MD&A, as required by the Federal Accounting Standards Advisory Board, is comprised of several sections within this report. These include the FY 2000 Annual Performance Report (pp. 12-119), Management of DOL's Financial Resources (pp. 122-134), Required Supplementary Stewardship Information (pp. 191-212), and Required Supplementary Information (pp. 213-222).

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# FOREWORD

ELAINE L. CHAO, SECRETARY OF LABOR

This Annual Report provides a review of the Department's activities over fiscal year 2000.

Since the preparation of this Report, President George W. Bush has been elected as America's 43<sup>rd</sup> President. Under the new Administration, the Department of Labor will always focus on enabling everyone to share in the American dream.

A central mission of the Department of Labor is to help prepare America's workforce to meet the challenges of the new economy. It is our goal to empower the workforce of the 21<sup>st</sup> century, in which working Americans will achieve greater independence, better quality of life, and happiness, fulfilling the promises of our Constitution.

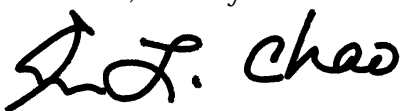
As our nation enters into the new millennium, many challenges confront our country's workforce. Demographic shifts indicate an aging population, an impending labor shortage, and a skills gap, all of which prevent some of our most needy workers from filling the most desirable jobs. Our nation -- and this Department -- must respond to these challenges.

This new Administration has already established new and exciting initiatives to meet these tests. With President Bush's launch of the New Freedom Initiative, disabled Americans will be able to use the latest technology to access exciting new work opportunities. As our country invests in critical job training, workers will be able to gain greater flexibility and autonomy in their work and personal lives.

The Department of Labor is entrusted with preparing America's workforce for the future. Our Department, its programs and its missions, must remain relevant to a dramatically new economy that is evolving at a dizzying rate. Yet even as we continue to create the workforce of the future, we will also meet the challenges of the present. This Department will continue to maintain its responsibility to enforce the labor laws of this country -- fully, fairly and evenly.

Fortunately, our Government is developing greater accountability to its citizens because of the recent passage by Congress of the Government Performance and Results Act. The Act requires the establishment of department-specific strategic and performance plans, which focus on reaching key Departmental goals. By establishing a framework for performance-based management, these strategic plans enable us to meet our citizens' needs.

It is my hope that the Department of Labor will present a model of workforce training and development for the entire world. Our Department must be a beacon of hope to workers who want to achieve a better quality of life and greater economic freedom, not only for themselves, but for their children and grandchildren as well.



Elaine L. Chao  
Secretary of Labor



*It is our goal to empower the workforce of the 21<sup>st</sup> century, in which working Americans will achieve greater independence, better quality of life, and happiness, fulfilling the promises of our Constitution.*



# MISSION/VISION

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## UNITED STATES DEPARTMENT OF LABOR

### MISSION

The Department of Labor fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements. In carrying out this mission, the Department administers a variety of Federal labor laws including those that guarantee workers' rights to safe and healthful working conditions, a minimum hourly wage and overtime pay, freedom from employment discrimination, unemployment insurance, and other income support.

### VISION

We will promote the economic well-being of workers and their families; help them share in the American dream through rising wages, pensions, health benefits and expanded economic opportunities; and foster safe and healthful workplaces that are free from discrimination.

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\* See page ii for the sections included in the Management Discussion & Analysis.

# SECRETARY'S MESSAGE

## ALEXIS M. HERMAN, SECRETARY OF LABOR

May 1, 1997 - January 20, 2001



*The framework for DOL's efforts has been the three-tier strategic planning I implemented as Secretary of Labor in 1997 -- a prepared workforce, a secure workforce, and quality workplaces.*

Performance and accountability -- these were the twin pillars of our efforts and achievements at the U.S. Department of Labor (DOL) in fiscal year 2000. During an era when change is the only certainty, when the three 'Rs of reading, 'riting, and 'rithmetic are nearly useless without the fourth R of readiness -- technological readiness, DOL employees have labored to make a difference for working men and women across the Nation.

Success stories are sprinkled throughout this report, stories of people in all walks of life, whose interaction with DOL agencies and programs has, for them, been the difference, between welfare and earning a living, between homelessness and self-respect, between unemployment and job security, between just-a-job and a meaningful career. Their experiences reinforced DOL's collaborative initiatives with committed partners in State and local governments, dedicated friends in the business and labor communities, and concerned customers and stakeholders to promote the welfare and improve the lives of all workers.

While carrying out its mission, DOL continued its excellent record of financial management. The Inspector General issued an unqualified or "clean" opinion on DOL's FY 2000 consolidated financial statements, the fourth one in as many years. In addition, the audit report states that, once again, no material weaknesses were found in DOL's system of internal controls that would affect the accuracy of its financial statements.

The framework for DOL's efforts has been the three-tier strategic planning I implemented as Secretary of Labor in 1997 -- a prepared workforce, a secure workforce, and quality workplaces. These goals are uncomplicated but nonetheless encompassing. They cover the myriad challenges facing working families today and for the rest of the 21st century. They bridge the skills training gap as well as the digital divide. They link all the facets of our working lives -- basic education, training and retraining, life-long learning, child and elder care, quality family time, health and pension benefits, fair wages, healthy workplaces, and, eventually, retirement.

We don't have a worker shortage in America; we have a skills shortage. More than 22 million new jobs have been created, but there is still an entire population of 13 million people who should benefit from our booming economy but remain at risk of being left behind. The reason is simple -- they are not technologically equipped with the skills they need to compete. This readiness -- the 4th R -- is fundamental for the workers of the new century. The solution to ensuring their inclusion is even simpler -- supply the skills training they need to succeed.

Enhancing opportunities for American workers is the goal of a prepared workforce to guarantee that no one -- youthful dropouts, ex-offenders, welfare mothers and putative fathers, veterans, people with disabilities, seniors, minorities, dislocated workers -- is left behind. One outcome of this goal is the bipartisan Workforce



Investment Act, which revolutionized the nation's employment and job training systems in all 50 States, Puerto Rico, and the District of Columbia. Through America's Workforce Network, One-Stop Centers, Rapid Response, and America's Job Bank are using Internet technologies to connect workers to career information, job openings, and training opportunities across the country. In addition, 84 percent of those who participated in Welfare-to-Work programs remained in the workforce for at least six months, greatly exceeding the 60 percent overall goal due to sustained emphasis on post-employment and supportive services.

The revolution continued with the installation of a permanent Youth Office within the Employment and Training Administration and the start-up of the Youth Opportunity (YO!) Movement to serve the 11 million young people in this nation who are out of school and seemingly out of luck without proper motivation and training. To help these youth take charge and make a difference in their lives, DOL awarded more than \$223 million in YO! grants last year to 36 communities from Philadelphia to the Pine Ridge Reservation.

The Job Corps program served more than 70,000 youth, effectively using its \$73 million in funding to exceed all performance measures. Of Job Corps graduates, 88.3 percent obtained jobs, joined the military, or pursued further education, surpassing the goal of 75 percent. The starting average hourly wage was \$7.49, vs. last year's \$6.87 an hour, and 75 percent of all graduates were still employed or pursuing education after 90 days, again surpassing the goal of 70 percent.

DOL has gone high-tech in its efforts to rescue other workers still floundering in that untapped labor pool. At the April 2000 National Skills Summit, businesses, educational institutions, labor unions, and government officials gathered to exchange cost-effective strategies and forge practical partnerships for satisfying employers' immediate and future needs for skilled workers. These initiatives included creating a certification and licensing web site, which helps millions of active-duty and separating military personnel, as well as veterans, obtain civilian employment more easily. DOL also increased women's participation in non-traditional jobs through an interactive national network that links them with job training in construction and other male-dominated industries. And the Older Americans Act was amended to strengthen DOL's community service employment program for low-income senior citizens.

Advancing the economic security of all workers is the goal of a secure workforce to safeguard benefits flowing from employers' health, savings, and retirement plans and to assist workers displaced by natural disasters or dislocated by business contingencies. DOL helped to secure the two-year reauthorization of the Trade Adjustment Assistance and NAFTA-Transitional

*At the April 2000 National Skills Summit, businesses, educational institutions, labor unions, and government officials gathered to exchange cost-effective strategies and forge practical partnerships for satisfying employers' immediate and future needs for skilled workers.*



Adjustment Assistance programs, which provide retraining and financial help for workers who lose their jobs because of increased imports or company relocations.

In the health field, DOL established an education campaign with more than 70 business partners to help workers and their families understand their rights under their health insurance plans, and provided assistance to the Congress in the drafting of the basic principles of a patients' bill of rights proposal now under consideration.

A lifetime of hard work deserves a first-class retirement. To ensure that workers and their families receive their promised benefits, DOL heightened the security of the more than \$4.3 trillion in welfare and pension plan assets and six million benefit plans. DOL investigative efforts resulted in restoring about \$426 million to pension and health benefit plans while more than \$67 million in additional funds owed directly to plan participants or beneficiaries was recovered or protected.

In addition, the number of workers covered by an employer-sponsored pension plan rose by two percent, which included increases in those groups where retirement coverage has been historically low -- two percent among women, five percent among minorities, and six percent among small business employees. Finally, DOL conducted educational campaigns that reached hundreds of thousands of employees and their families through grass-roots events, a toll-free publications hotline, web sites, and public service announcements.

*Promoting safe, healthy, and fair work environments is the goal of quality workplaces to protect the physical well being of all workers, no matter how dangerous their jobs, and to ensure that discrimination of every stripe is eradicated.*

Promoting safe, healthy, and fair work environments is the goal of quality workplaces to protect the physical well being of all workers, no matter how dangerous their jobs, and to ensure that discrimination of every stripe is eradicated. With national workplace injury rates at their lowest level since record-keeping began, DOL's Occupational Safety and Health Administration (OSHA) implemented 13 safety and health standards and cut lost work days in five key industries characterized as high-hazard workplaces. The reductions were 28 percent in shipyards, 15 percent in food processing, 19 percent in construction, 6 percent in nursing homes, and 26 percent in logging. At an estimated 67,000 workplaces where OSHA intervened over the past five years, injury and illness rates declined by at least 20 percent from the levels reported prior to OSHA's inspections, consultation visits, or notification letters.

In addition, safety and health coverage was extended to more than 850,000 postal workers. Final regulations governing noise exposure, diesel engine emissions, and safety training for workers in coal, metal, and non-metal mines were published by the Mine Safety and Health Administration.

And OSHA, along with all of DOL's enforcement agencies, connected to cyberspace with individual agency web sites and an innovative on-line system of elaws Advisors that provides public access to information about the multitude of statutes administered by DOL. Just one example -- some 100,000 people used the Family and Medical Leave Act elaws site, and 90 percent of complaints filed were resolved.

On the international front, we are proud of leading the successful effort to win Senate support for U.S. ratification of the International Labour Organization's Convention 182 banning the worst forms of child labor. During FY 2000, 37 countries ratified this convention, the most rapid rate of approval for an ILO treaty



in history. DOL signed a \$50 million agreement with the ILO to help more than 30 countries implement fundamental workers' rights, and launched a global campaign to support countries prepared to adopt programs to eliminate child labor. El Salvador, Tanzania, and Nepal were the first three nations to commit to this campaign. Backed by DOL efforts, the U.S. also ratified ILO Convention 176 on mining safety and health, the first international treaty for a specific industry sector.

Finally, without fairness, workplaces can be a personal tribulation. DOL helped more than 8,000 individuals recover \$41 million in settlements involving federal contractors, which included more than \$10 million in back pay secured as part of my equal pay initiative. DOL also settled landmark compensation discrimination cases with five Fortune 500 companies, resolved numerous complaints involving women seeking non-traditional jobs, and obtained a \$1.7 million back-pay settlement for individuals who were denied jobs with a major airline because of their disabilities.

The performance and financial data presented in this report are fundamentally complete and reliable as outlined in the guidance available from the Office of Management and Budget. While we have identified no material inadequacies, this report describes our continuing efforts to strengthen the quality and timeliness of DOL's performance information to increase its value to both DOL managers and constituents. The results achieved for each FY 2000 goal are either discussed in this report or will be included in a future annual report. DOL's managers routinely use these performance and financial data to improve the quality of DOL services and to account formally for the accomplishments of their programs.



*I believe in the power of heightened expectations -- that kind of power turns dashed hopes into big dreams that can then become reality.*

When we expect more, we achieve more. I believe in the power of heightened expectations -- that kind of power turns dashed hopes into big dreams that can then become reality. And that is what DOL has accomplished in the first year of the new millennium. As we have begun, so we will continue making a real difference in the lives of the nation's working men and women.

Photo from: DOL/ILAB archive

Alexis M. Herman  
Secretary of Labor  
January 19, 2001